

## AMENDMENTS TO THE CLAIMS

This listing of claims will replace all prior versions, and listings, of claims in the application. The following listing provides the amended claims with the amendments marked with deleted material crossed out and new material underlined to show the changes made.

1. (Canceled)

2. (Currently Amended) ~~The method as claimed in claim 1, said method further comprising:~~ A method of controlling rate distortion in a video compression and encoding system, said method comprising:

selecting a distortion value D near a desired distortion value;  
determining a quantizer value Q using said distortion value D;  
calculating a Lagrange multiplier lambda using said quantizer value Q;  
encoding a pixelblock using said Lagrange multiplier lambda and said quantizer value Q;

increasing said Lagrange multiplier lambda when a buffer exceeds an overflow threshold value and increasing said quantizer value Q if said Lagrange multiplier lambda exceeds a maximum lambda threshold; and

decreasing said Lagrange multiplier lambda when a buffer falls below an ~~underflow~~ underflow threshold value and decreasing said quantizer value Q if said Lagrange multiplier lambda falls below a minimum lambda threshold.

3. (Original) The method as claimed in claim 2, said method further comprising:

recalculating said Lagrange multiplier lambda if said quantizer value Q is adjusted.

4. (Original) The method as claimed in claim 2, said method further comprising wherein said Lagrange multiplier lambda is increased or decreased by an amount dependent upon said quantizer value Q.

5. (Currently Amended) ~~The method as claimed in claim 1, said method further comprising: A method of controlling rate distortion in a video compression and encoding system, said method comprising:~~

selecting a distortion value D near a desired distortion value;  
determining a quantizer value Q using said distortion value D;  
calculating a Lagrange multiplier lambda using said quantizer value Q;  
encoding a pixelblock using said Lagrange multiplier lambda and said quantizer value Q;

calculating a visual mask value M; and  
increasing said Lagrange multiplier lambda when said visual mask value M times said Lagrange multiplier lambda is less than a maximum threshold for said Lagrange multiplier lambda.

6. (Original) The method as claimed in claim 5 wherein said maximum threshold for said Lagrange multiplier lambda is dependent upon said quantizer value Q.

7. (Currently Amended) The method as claimed in claim 5, said method further comprising:

increasing said Lagrange multiplier lambda when a buffer exceeds an overflow threshold value and increasing said quantizer value Q if said Lagrange multiplier lambda exceeds a maximum lambda threshold; and

decreasing said Lagrange multiplier lambda when a buffer falls below an underflow underflow threshold value and decreasing said quantizer value Q if said Lagrange multiplier lambda falls below a minimum lambda threshold.

8. (Original) The method as claimed in claim 7, said method further comprising:  
recalculating said Lagrange multiplier lambda if said quantizer value Q is  
adjusted.

9. (Canceled)

10. (Currently Amended) ~~The computer readable medium as claimed in claim 9  
wherein said set of computer instructions further implement the steps of: A computer-readable  
medium, said computer-readable medium containing a set of computer instructions for  
implementing a method of controlling rate distortion in a video compression and encoding  
system with the following steps:~~

selecting a distortion value D near a desired distortion value;  
determining a quantizer value Q using said distortion value D;  
calculating a Lagrange multiplier lambda using said quantizer value Q;  
encoding a pixelblock using said Lagrange multiplier lambda and said quantizer  
value Q;

increasing said Lagrange multiplier lambda when a buffer exceeds an overflow  
threshold value and increasing said quantizer value Q if said Lagrange multiplier lambda exceeds  
a maximum lambda threshold; and

decreasing said Lagrange multiplier lambda when a buffer falls below an  
~~underflow~~ underflow threshold value and decreasing said quantizer value Q if said Lagrange  
multiplier lambda falls below a minimum lambda threshold.

11. (Original) The computer-readable medium as claimed in claim 10 wherein said set  
of computer instructions further implement the steps of:

recalculating said Lagrange multiplier lambda if said quantizer value Q is  
adjusted.

12. (Original) The computer-readable medium as claimed in claim 10 wherein said Lagrange multiplier lambda is increased or decreased by an amount dependent upon said quantizer value Q.

13. (Currently Amended) ~~The computer readable medium as claimed in claim 9 wherein said set of computer instructions further implement the steps of:~~ A computer-readable medium, said computer-readable medium containing a set of computer instructions for implementing a method of controlling rate distortion in a video compression and encoding system with the following steps:

selecting a distortion value D near a desired distortion value;  
determining a quantizer value Q using said distortion value D;  
calculating a Lagrange multiplier lambda using said quantizer value Q;  
encoding a pixelblock using said Lagrange multiplier lambda and said quantizer value Q;

calculating a visual mask value M; and  
increasing said Lagrange multiplier lambda when said visual mask value M times said Lagrange multiplier lambda is less than a maximum threshold for said Lagrange multiplier lambda.

14. (Original) The computer-readable medium as claimed in claim 13 wherein said maximum threshold for said Lagrange multiplier lambda is dependent upon said quantizer value Q.

15. (Currently Amended) The computer-readable medium as claimed in claim 13 wherein said set of computer instructions further implement the steps of:

increasing said Lagrange multiplier lambda when a buffer exceeds an overflow

threshold value and increasing said quantizer value Q if said Lagrange multiplier lambda exceeds a maximum lambda threshold; and

decreasing said Lagrange multiplier lambda when a buffer falls below an underflow underflow threshold value and decreasing said quantizer value Q if said Lagrange multiplier lambda falls below a minimum lambda threshold.

16. (Original) The computer-readable medium as claimed in claim 15 wherein said set of computer instructions further implement the steps of:

recalculating said Lagrange multiplier lambda if said quantizer value Q is adjusted.